

2003/2004 ALTERNATIVE PAYMENT PROGRAM
LANGUAGE CHANGES TO THE FT&CS
(FAPP)

Section 1, "Definition" (p.2) shall be amended as follows:

~~"Earned" means net reimbursable program costs of which at least eighty percent (80%) must be payments for direct services, no more than twenty percent (20%) may be for support services and administrative costs together and no more than fifteen percent (15%) may be for administrative costs alone. (Note: this language is pursuant to Budget Act language limiting administration and support to no more than 20 percent of direct services costs)."~~

"Earned" means net reimbursable program costs of which at least eighty-one percent (81%) must be payments for direct services, no more than nineteen percent (19%) may be for support services and administrative costs together and no more than fifteen percent (15%) may be for administrative costs alone.

Section II, General Provisions, Payment to Providers (p.5) shall be amended as follows:

~~Contractors shall pay each provider the same rate(s) the provider charges nonsubsidized families not to exceed 1.5 standard deviations from the mean market rate established for the type of care provided as established by the most recent "Regional Market Rate Survey of California Child Care Providers".~~

~~For providers that do not serve nonsubsidized children, the contractor shall pay a rate that is within 1.5 standard deviations of the mean market rate for the type of care provided as established by the most recent "Regional Market Rate Survey of California Child Care Providers".~~

Contractors shall pay each provider the same rate(s) the provider charges nonsubsidized families for the appropriate category, but not to exceed the applicable market rate ceilings as published by the California Department of Education pursuant to the most recent "Regional Market Rate Survey of California Child Care Providers".

For providers that do not serve nonsubsidized children, the contractor shall pay a rate that is within the market rate ceilings for the type of care provided as published by the California Department of Education pursuant to the most recent "Regional Market Rate Survey of California Child Care Providers" and in accordance with current regulations.

Section 1, Program Requirement, Definitions (p.27) shall be amended as follows:

~~"Co-payment" means any usual and customary provider charges above 1.5 standard deviations from the mean market rate for the type of care provided which are paid by the parent directly to the provider.~~

"Co-payment" means any usual and customary provider charges that exceed the maximum subsidy amount. The family shall be responsible to pay the provider the difference between the provider's rate and the maximum subsidy amount. The contractor shall not be responsible for collecting the family's co-payment.

Section V, FEE SCHEDULE, Fee Assessment (page 35) shall be as follows:

A. Fee Assessment

Contractors shall use a fee schedule prepared and issued by the CDD. The contractor shall utilize the following factors in determining the fee to be assessed for each family: (1) the adjusted monthly family income and (2) family size. The fee shall be assessed and collected based on the family's child who is enrolled for the longest period. The fee assessed and collected shall be the least of the fee indicated on the fee schedule or the actual costs of services ~~or 1.5 standard deviations from the mean market rate~~ but not exceed the applicable regional market rate ceiling for the type of care provided. If the parent(s) works on a fluctuating schedule, the fee may be estimated and adjusted the following month. If the family's children are served in both federal and state programs, the fee must be pro-rated to each program based on the cost of care each child receives.

The contractor shall maintain a record of each family's fee assessment, the effective date(s) of each fee increase or decrease, the dates and amounts

of fees collected and any amounts, which are delinquent. The contractor shall explain to the parent(s) the contractor's policies regarding fee assessment and collection and the possible consequences for delinquent payment of fees.

B. Co-Payments

If a parent chooses a provider with a usual and customary rate exceeding the applicable regional market rate ceiling established by statute ~~1.5 standard deviations above the mean market rate~~ for the type of care provided, the parent may receive services from that provider only if the parent pays the difference between the regional market rate ~~1.5 standard deviations~~ and the provider's rate. The co-payment shall be paid directly by the parent to the provider and shall not be accounted for by the contractor.

Section VII, Information on Contractor Policies (page 37) shall be amended as follows:

The contractor shall develop and implement a written policy statement which shall include information regarding:

- A. A description of the program's purpose, design, and organization framework
- B. Priorities for enrollment
- C. Family eligibility requirements
- D. Conditions for participation
- E. Reimbursement of providers not to exceed the applicable regional market rate ~~which shall include a limitation of 1.5 standard deviations from the mean market rate~~ for the type of care provided
- F. Requirements for provider participation
- G. Range of services available including sectarian care, licensed care, and in-home and other exempt care
- H. Parent fee collection policy and procedures including direct payment of fees to the provider, if allowable
- I. Certificate procedures ensuring that the certificate will be easy for the parent to obtain, the provider will receive timely payment for services rendered and that the parent may use the certificate with any provider at ~~or below 1.5 standard deviations above the mean~~ the applicable regional market rate established by statute (unless the parent is willing to make a co-payment if the provider is above ~~1.5~~

~~standard deviations~~ the applicable regional market rate established by statute).

In order to ensure that the payment an in-home provider receives is equivalent to minimum wage, contractors may establish a policy requiring a minimum number of children in care before in-home service can be provided.